Manitoba

Preliminary Financial Report

Hon. Clayton Manness — Minister of Finance

For the Year Ended March 31, 1991

MG-5333

PROVINCE OF MANITOBA
NOTES TO THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1991

The following financial statements have been prepared by the Department of Finance and have not been audited by the Provincial Auditor. The amounts reported represent the most current data available and it is anticipated that they will remain largely unchanged when final statements are prepared for the fiscal year.

The financial results of the fiscal year have been prepared on a basis consistent with the accounting policies of the Provincial Government which are detailed in the Public Accounts. The comparative data shown for the 1989-90 fiscal year has been recast to reflect the organizational structure of Departments as established in the 1990-91 Estimates. The 1989-90 actual expenditures and revenues have also been adjusted to include lotteries funded expenditures and revenues for the same period being reported.

The deficit for the year was $292.1 million, approximately $3.4 million lower than the deficit level projected in the third quarter financial report issued in February. This is approximately $8.7 million more than the initial Budget Estimate of $283.4 million. Total expenditures for the year were $5,037.3 million, $43.9 million lower than the Budget Estimate of $5,081.2 million. Total revenue was $4,745.2 million, or $52.6 million less than the initial budget of $4,797.8 million. $85.0 million was transferred from the Fiscal Stabilization Fund into General Revenue in 1990-91.

1990-91 EXPENDITURE AUTHORITY

The estimated figures shown on the Statement of Expenditure include only the authority provided in the Main Estimates. In addition, $39.9 million was authorized by Special Warrant during the fiscal year and Statutory Appropriations were reduced by $38.7 million due to a decrease in requirements, resulting in a marginal increase in fiscal year authority to $5,082.4 million. Of this, approximately $45.1 million lapsed at year end.

	(millions of dollars)
Main Estimates	5,081.2
Special Warrants	39.9
Net Decrease in Statutory Appropriations	(38.7)
Total Expenditure Authority	5,082.4
Total Actual Expenditures	5,037.3
Total Expenditure Authority Lapsed	45.1

Supplementary funds were approved by Special Warrant to meet cost increases related to Income Maintenance Programs - $5.8 million; Manitoba Housing and Renewal Corporation - $3.5 million; Canada-Manitoba Winnipeg Core Area Renewed Agreement - $3.0 million; Manitoba Crop Insurance Corporation - $2.7 million; Home Care Assistance - $2.5 million; and various other departmental requirements.

BORROWING ACTIVITY

The borrowing requirement for the 1990-91 fiscal year was estimated to be $2.2 billion. This amount included $780 million for refinancing maturing debt issues.

For the year ended March 31, 1991, $2,168 million was borrowed of which $103 million was issued to the Canada Pension Plan Investment Fund, $65 million was raised through the issue of Manitoba Hydro Savings Bonds, with the remainder being raised in public markets.

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PROVINCE OF MANITOBA
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1991
(with comparative figures for March 31, 1990)
(UNAUDITED)

1989–90	1990–91	INCREASE (DECREASE)		1990–1991 ACTUAL	1990–1991 ESTIMATED	1990–1991 VARIANCE
(thousands of dollars)				(thousands of dollars)		
4,800,167	5,037,296	237,129	Total Budgetary Expenditure – Schedule I	5,037,296	5,081,164	(43,868)
4,657,760	4,745,203	87,443	Less: Total Revenue – Schedule II	4,745,203	4,797,810	(52,607)
142,407	292,093	149,686	Deficit	292,093	283,354	8,739

NOTE 1: Total budgetary expenditure for 1990–91 of $5,037.3 million includes $311.7 million of expenditures related to capital items (1989–90 – $297.9 million).

NOTE 2: In accordance with the accounting policy change implemented April 1, 1991, respecting lottery funded programming, 1989–90 expenditures and revenues have been adjusted by $52.0 million to reflect the amount recorded in the lotteries trust accounts for the year ended March 31, 1990. This accounting policy change resulted in the 1989–90 expenditure related to capital being adjusted by $12.2 million.

NOTE 3: Total revenue for 1990–91 of $4,745.2 million includes a transfer of $85.0 million from the Fiscal Stabilization Fund.

PROVINCE OF MANITOBA
STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1991
(with comparative figures for March 31, 1990)
(UNAUDITED)

SCHEDULE I

1989–90	1990–91	INCREASE (DECREASE)		1990–1991 ACTUAL	1990–1991 ESTIMATED	1990–1991 VARIANCE
(thousands of dollars)				(thousands of dollars)		
12,681	18,736	6,055	Legislation	18,736	21,213	(2,477)
2,954	2,940	(14)	Executive Council	2,940	3,409	(469)
66,491	96,371	29,880	Agriculture	96,371	112,560	(16,189)
68,066	74,470	6,404	Civil Service	74,470	75,727	(1,257)
3,317	4,882	1,565	Community Support Programs	4,882	4,113	769
8,381	8,902	521	Cooperative, Consumer and Corporate Affairs	8,902	8,983	(81)
52,637	56,466	3,829	Culture, Heritage and Citizenship	56,466	56,212	254
898,148	936,418	38,270	Education and Training	936,418	935,337	1,081
13,402	13,948	546	Energy and Mines	13,948	14,619	(671)
11,924	13,042	1,118	Environment	13,042	13,131	(89)
487,120	536,497	49,377	Family Services	536,497	535,289	1,208
694,606	705,404	10,798	Finance	705,404	749,658	(44,254)
13,084	12,798	(286)	Fitness and Sport	12,798	12,839	(41)
139,231	140,861	1,630	Government Services	140,861	143,952	(3,091)
1,523,906	1,645,010	121,104	Health	1,645,010	1,671,449	(26,439)
230,419	236,023	5,604	Highways and Transportation	236,023	235,346	677
53,968	52,846	(1,122)	Housing	52,846	51,232	1,614
34,678	35,776	1,098	Industry, Trade and Tourism	35,776	39,680	(3,904)
146,294	154,803	8,509	Justice	154,803	152,231	2,572
16,607	16,818	211	Labour	16,818	17,077	(259)
149,977	108,098	(41,879)	Natural Resources	108,098	110,826	(2,728)
20,391	19,262	(1,129)	Northern Affairs	19,262	19,597	(335)
55,656	61,208	5,552	Rural Development	61,208	64,210	(3,002)
196	258	62	Seniors Directorate	258	277	(19)
769	908	139	Status of Women	908	958	(50)
75,064	76,283	1,219	Urban Affairs	76,283	75,768	515
4,622	4,487	(135)	Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities	4,487	5,600	(1,113)
–	–	–	Decentralization	–	1,000	(1,000)
201	1,056	855	Environmental Innovations Fund	1,056	1,371	(315)
15,377	2,725	(12,652)	Flood Control and Emergency Expenditures	2,725	2,500	225
–	–	–	General Salary Increases	–	5,000	(5,000)
–	–	–	Year End Savings	–	(60,000)	60,000
4,800,167	5,037,296	237,129	TOTAL BUDGETARY EXPENDITURE	5,037,296	5,081,164	(43,868)

PROVINCE OF MANITOBA
STATEMENT OF REVENUE
FOR THE YEAR ENDED MARCH 31, 1991
(with comparative figures for March 31, 1990)
(UNAUDITED)

SCHEDULE II

1989–90	1990–91	INCREASE (DECREASE)		1990–1991 ACTUAL	1990–1991 ESTIMATED	1990–1991 VARIANCE
(thousands of dollars)				(thousands of dollars)		
			TAXATION:			
			Cooperative, Consumer and Corporate Affairs			
23,085	24,472	1,387	-Insurance Corporations Tax	24,472	23,700	772
			Energy and Mines			
6,890	7,735	845	-Oil and Natural Gas Tax	7,735	7,829	(94)
			Justice			
9,441	8,998	(443)	-Land Transfer Tax	8,998	7,950	1,048
			Finance			
			-Canada-Manitoba Income Tax Collection Agreement			
152,327	78,443	(73,884)	-Corporation Income Tax	78,443	173,000	(94,557)
1,031,094	1,149,447	118,353	-Individual Income Tax	1,149,447	1,127,700	21,747
72,525	75,426	2,901	-Corporation Capital Tax	75,426	76,500	(1,074)
126,023	124,925	(1,098)	-Gasoline Tax	124,925	126,500	(1,575)
191,268	186,487	(4,781)	-Levy for Health and Education	186,487	180,000	6,487
115,485	48,738	(66,747)	-Mining Tax	48,738	43,500	5,238
65,002	61,873	(3,129)	-Motive Fuel Tax	61,873	62,500	(627)
4,917	4,872	(45)	-Pari Mutuel Tax	4,872	5,000	(128)
621,730	605,952	(15,778)	-Retail Sales Tax	605,952	630,000	(24,048)
48,157	50,109	1,952	-Revenue Act, 1964, Part I	50,109	49,500	609
116,855	116,109	(746)	-Tobacco Tax	116,109	113,000	3,109
14,890	9,978	(4,912)	-Reciprocal Taxation	9,978	12,000	(2,022)
976	1,430	454	-Environmental Protection Tax	1,430	1,800	(370)
130	173	43	-Other Taxes	173	167	6
2,600,795	2,555,167	(45,628)		2,555,167	2,640,646	(85,479)
			OTHER REVENUE:			
10,998	11,908	910	Agriculture	11,908	10,567	1,341
7,646	8,361	715	Cooperative, Consumer and Corporate Affairs	8,361	7,560	801
13,831	14,178	347	Education and Training	14,178	14,141	37
5,422	5,464	42	Energy and Mines	5,464	5,657	(193)
6,248	6,111	(137)	Family Services	6,111	6,731	(620)
12,404	17,433	5,029	Finance	17,433	16,002	1,431
44,335	45,750	1,415	Highways and Transportation	45,750	46,655	(905)
24,376	24,393	17	Justice	24,393	27,362	(2,969)
7,452	8,377	925	Labour	8,377	8,216	161
44,162	48,792	4,630	Natural Resources	48,792	50,902	(2,110)
145,950	135,559	(10,391)	Liquor Control Commission	135,559	140,000	(4,441)
51,995	57,527	5,532	Lottery Revenue Transfer	57,527	66,369	(8,842)
18,666	19,569	903	Other	19,569	19,777	(208)
393,485	403,422	9,937		403,422	419,939	(16,517)

1989-90	1990-91	INCREASE (DECREASE)		1990-1991 ACTUAL	1990-1991 ESTIMATED	1990-1991 VARIANCE
(thousands of dollars)				(thousands of dollars)		
			GOVERNMENT OF CANADA:			
26,583	30,155	3,572	Education and Training	30,155	23,087	7,068
212,111	241,530	29,419	Family Services	241,530	238,663	2,867
14,574	16,288	1,714	Health	16,288	14,913	1,375
12,904	12,244	(660)	Justice	12,244	12,104	140
30,442	318	(30,124)	Flood Control and Emergency Expenditures	318	125	193
14,620	7,705	(6,915)	Other	7,705	8,461	(756)
			Finance:			
909,727	970,344	60,617	-Equalization	970,344	895,900	74,444
430,832	406,229	(24,603)	-Established Programs Cash Transfer	406,229	427,300	(21,071)
2,216	2,218	2	-Government of Canada Subsidy	2,218	2,200	18
1,654,009	1,687,031	33,022		1,687,031	1,622,753	64,278
4,648,289	4,645,620	(2,669)	TOTAL CURRENT OPERATING PROGRAMS	4,645,620	4,683,338	(37,718)
			REVENUE RELATED TO CAPITAL:			
			OTHER REVENUE:			
751	171	(580)	Government Services	171	1,700	(1,529)
1,527	882	(645)	Highways and Transportation	882	1,675	(793)
843	1,211	368	Natural Resources	1,211	779	432
911	1,742	831	Urban Affairs	1,742	1,029	713
80	-	(80)	Other	-	-	-
2,117	20,033	17,916	Sale of Government Assets	20,033	19,700	333
6,229	24,039	17,810		24,039	24,883	(844)
			GOVERNMENT OF CANADA:			
975	3,722	2,747	Highways and Transportation	3,722	3,007	715
1,107	2,566	1,459	Industry, Trade and Tourism	2,566	2,342	224
1,160	2,006	846	Other	2,006	1,240	766
3,242	8,294	5,052		8,294	6,589	1,705
9,471	32,333	22,862	TOTAL REVENUE RELATED TO CAPITAL	32,333	31,472	861
4,657,760	4,677,953	20,193	TOTAL REVENUE BEFORE STABILIZATION TRANSFER	4,677,953	4,714,810	(36,857)
-	(17,750)	(17,750)	Transfer to Fiscal Stabilization Fund re: Manitoba Data Services Disposition	(17,750)	(17,000)	(750)
-	85,000	85,000	Transfer from Fiscal Stabilization Fund	85,000	100,000	(15,000)
4,657,760	4,745,203	87,443	TOTAL REVENUE	4,745,203	4,797,810	(52,607)

PROVINCE OF MANITOBA
STATEMENT OF VALUATION AND PURPOSE OF
DIRECT AND GUARANTEED DEBT OUTSTANDING
MARCH 31, 1991
(with comparative figures for March 31, 1990)
(thousands of dollars)

Canadian Dollar Equivalent at Date of Issue March 31/91	Canadian Dollar Equivalent at Date of Issue March 31/90	Increase (Decrease) March 31/91 over March 31/90		Canadian Dollar Valuation (Note 1) March 31/91	Canadian Dollar Valuation (Note 1) March 31/90	Increase (Decrease) March 31/91 over March 31/90
			Direct Debt Payable in:			
4,915,510	4,329,341	586,169	Canadian Dollars	4,915,510	4,329,341	586,169
			Foreign Issues Swapped			
1,787,493	1,707,967	79,526	to Canadian Dollars	1,803,833	1,707,837	95,996
3,438,918	2,515,133	923,785	U.S. Dollars	3,327,499	2,421,855	905,644
			Foreign Issues Swapped			
1,161,621	1,180,958	(19,337)	to U.S. Dollars	1,225,294	1,270,035	(44,741)
5,651	8,476	(2,825)	Swiss Francs	8,012	11,711	(3,699)
108,380	209,270	(100,890)	Japanese Yen	176,290	287,590	(111,300)
11,417,573	9,951,145	1,466,428	Total Direct Debt	11,456,438	10,028,369	1,428,069
			Guaranteed Debt Payable in:			
1,258,044	1,208,344	49,700	Canadian Dollars	1,258,044	1,208,344	49,700
			Foreign Issues Swapped			
54,280	54,280	-	to Canadian Dollars	59,816	59,816	-
688,552	718,649	(30,097)	U.S. Dollars	805,297	846,858	(41,561)
2,000,876	1,981,273	19,603	Total Guaranteed Debt	2,123,157	2,115,018	8,139
13,418,449	11,932,418	1,486,031	Total Direct and Guaranteed Debt	13,579,595	12,143,387	1,436,208
2,540,322	2,200,639	339,683	Less: Sinking Fund Investments	2,540,322	2,200,639	339,683
10,878,127	9,731,779	1,146,348	Net Direct and Guaranteed Debt (2)	11,039,273	9,942,748	1,096,525

NOTE 1: The Canadian Dollar Valuation is calculated using the foreign currency exchange rates in effect at March 31 adjusted for any foreign currency contracts entered into for settlement after these dates.

NOTE 2: The above debt was issued for the following purposes:

	March 31, 1991 (in thousands)	March 31, 1991 (per capita)	March 31, 1990 (in thousands)	March 31, 1990 (per capita)
General Government Programs (3)	5,248,972	4,816	4,855,637	4,479
The Manitoba Hydro-Electric Board	4,319,649	3,963	3,912,611	3,610
Other	1,470,652	1,350	1,174,500	1,083
	11,039,273	10,129	9,942,748	9,172

NOTE 3: Includes $364 million ($372 million as at March 31, 1990) of cumulative redeemable retractable 9 1/4% preferred shares issued by Manitoba Properties Inc., which are guaranteed by the Province. Consolidation with the Provincial Accounts would require Manitoba Properties Inc. debt be reclassified as Direct Province of Manitoba debt.

NOTE 4: Per capita data is based upon population figures at June 1, 1990 and June 1, 1989 as reported by Statistics Canada.

PROVINCE OF MANITOBA
STATEMENT OF THE FISCAL STABILIZATION FUND
FOR THE YEAR ENDED MARCH 31, 1991
(UNAUDITED)

	(thousands of dollars)	
Cash on Deposit with the Minister of Finance, beginning of year	225,000	
Receipts:		
-Interest Earnings	31,573	
-Transfer from Consolidated Fund Revenue	17,750	(1)
	49,323	
Withdrawals:		
-Transfer to Consolidated Fund Revenue	85,000	
Cash on Deposit with the Minister of Finance, end of year	189,323	
Preferred Shares of Repap Enterprises Inc.	77,639	(2)
	266,962	

NOTE 1: Manitoba Data Services was sold to STM Systems Corp. in August 1990 and proceeds from the sale deposited in the Consolidated Fund. Net cash proceeds from the sale, amounting to $17,750,000, were subsequently transferred to the Stabilization Fund in accordance with the provisions of the Fiscal Stabilization Fund Act.

NOTE 2: The net proceeds from the sale of Manfor Ltd., which are represented by preferred shares in Repap Enterprises Inc., were transferred to the Fiscal Stabilization Fund in 1989-90 and will be retained in the Fund pending redemption in accordance with the terms of the divestiture agreement. Accordingly, this amount is not available for the purposes of the Fund until redemption occurs. The preferred shares have been recorded in the Fund at their expected redemption value.